

Service Date: November 5, 1986

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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| In the Matter of the Application of |) |
| THE MONTANA POWER COMPANY for |) UTILITY DIVISION |
| Authority to Extend the Term of an Existing |) DOCKET NO. 86.10.57 |
| Revolving Credit Agreement for the |) ORDER NO. 5232 |
| Issuance of Notes Not to Exceed \$50,000,000. |) |

On October 21, 1986, The Montana Power Company (Applicant) filed with the Public Service Commission its verified Application, pursuant to Sections 69-3-501 through 69-3-507 of the Montana Code Annotated (MCA), seeking an order authorizing it to extend the term of an existing Revolving Credit Agreement in which it has the ability to issue a note or notes not to exceed in the aggregate, \$50,000,000. The Application is supported by exhibits and data in accordance with the Commission practice and rules and regulations governing the authorization of issuance of securities by public utilities operating within the State of Montana.

The Application states that Applicant is a public utility, as defined in MCA Section 69-3-101, in that it furnishes electric and natural gas service in the State of Montana; that Applicant's principal executive office is at 40 East Broadway, Butte, Montana; and that Applicant is duly qualified to do business in the States of Montana, Wyoming and Idaho. For detailed information with respect to the general character of Applicant's business and the territory served by it, reference is made to the Application.

The Application states that:

1. In Docket No. 82.8.57, Order No. 4925, the Commission authorized the Applicant to enter into a Revolving Credit Agreement (Agreement) which allowed the Applicant to borrow up to \$50,000,000.

2. That Agreement will expire on August 31, 1987, and Applicant seeks authority to extend the term of the Agreement to August 31, 1989.

3. Applicant also intends to amend the Agreement, principally to include three new banks to replace two existing banks as parties under the Agreement. The additional details of the amendments contemplated are set forth in the Application.

The Application includes an opinion of counsel regarding the legality and the propriety of the proposed borrowings.

Having fully considered the Application and all the data and records pertaining thereto on file with the Commission and being fully advised in the premises, the Commission makes the following:

FINDINGS OF FACT

1. That Applicant, The Montana Power Company, is a corporation organized and existing under and by virtue of the laws of the State of Montana and is qualified to transact business in the State of Montana.

2. That Applicant is operating a public utility, as defined in MCA Section 69-3-101, and, as such, is engaged in furnishing electric and natural gas utility service in the State of Montana.

3. That the Commission has jurisdiction over the subject matter of the Application under MCA Sections 69-3-501 through 69-3-507, inclusive.

4. That the extension of authority to issue a note or notes under the Revolving Credit Agreement as proposed hereby and as hereinafter authorized, will be for a lawful purpose and is consistent with the public interest; that such issuance is appropriate for and consistent with the proper performance by Applicant of service as a public utility; and that the aggregate amount of the securities outstanding, including the borrowing subject to this proceeding, will not exceed the fair value of the properties and business of Applicant, a

5. That notice of the filing of the Application has been duly given; that due consideration has been given to the matters presented and filed in connection therewith; and that the Application should be approved as hereinafter ordered.

CONCLUSION OF LAW

That the Application herein complies with MCA Sections 69-3-501 through 69-3-507,

inclusive, and other laws of Montana as aforesaid and the same should be granted as hereinafter ordered.

ORDER

NOW, THEREFORE, at a session of the Public Service Commission of the State of Montana, held in its office at 2701 Prospect Avenue, Helena, Montana, on November 3, 1986, there regularly came before the Commission for final action the matters and things in this Docket. The Commission being fully advised in the premises makes and enters the following Orders:

IT IS ORDERED that the Application of Applicant, The Montana Power Company, for an order authorizing the extension of authority to issue a note or notes not to exceed in the aggregate \$50,000,000 is hereby approved and the issuance of such note or notes be, and the same is, hereby authorized subject to the provisions of this Order pursuant to MCA Sections 69-3-501 through 69-3-507, inclusive.

IT IS FURTHER ORDERED that the foregoing authorization is without prejudice to the regulatory authority of this Commission with respect to rates, service, accounts, valuations, estimates or determinations of cost, or any other matter subject to its jurisdiction as provided by law.

IT IS FURTHER ORDERED that nothing in this Order or any act or deed done and performed in connection herewith shall be construed to obligate the State of Montana to pay or guarantee in any manner whatsoever any security authorized by this Order or authorized, issued, assumed or guaranteed under the provisions of MCA Sections 69-3-501 through 69-3-507, inclusive.

Issuance of this Order does not mean acceptance of the Applicant's exhibits or other material accompanying the Application for any purpose other than in connection with this proceeding.

DONE IN OPEN SESSION at Helena, Montana, this 3rd day of November, 1986, by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

CLYDE JARVIS, Chairman

HOWARD L. ELLIS, Commissioner

TOM MONAHAN, Commissioner

DANNY OBERG, Commissioner

JOHN B. DRISCOLL, Commissioner

ATTEST:

Trenna Scofield
Secretary

(SEAL)

NOTE: Any interested party may request the Commission to reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM